

Message Text

LIMITED OFFICIAL USE

PAGE 01 GENEVA 05805 01 OF 02 181031Z
ACTION STR-07

INFO OCT-01 ARA-10 IO-13 ISO-00 STRE-00 AGR-01 CEA-01
CIAE-00 COME-00 DODE-00 EB-08 FRB-03 H-01 INR-10
INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00
AID-05 SS-15 ITC-01 TRSE-00 ICA-11 SP-02 SOE-02
OMB-01 DOE-15 AF-10 EA-10 EUR-12 NEA-10 /167 W
-----055540 181035Z /11

P 181015Z APR 78
FM USMISSION GENEVA
TO SECSTATE WASHDC PRIORITY 8510
INFO AMEMBASSY BRASILIA

LIMITED OFFICIAL USE SECTION 01 OF 02 GENEVA 05805

USMTN

ACTION STR FOR LANDE, ROSENBAUM, GREENWALD

STR PASS CODEL

E.O. 11652, N/A
TAGS: ETRD, MTN, BR
SUBJECT: BRAZILIAN POSTURE IN MTN

REF: (A) BRASILIA 2961, (B) STATE 96974

1. IN FOLLOW UP TO FULL SCALE REQUEST/OFFER BILATERAL
PREVIOUS DAY (SEE SEPTTEL) AMBASSADOR MACIEL AND TOP
OFFICIALS FROM VISITING BRASILIA DELEGATION (DORNELLES,
BOTAFOGO, NEVES), VISITED AMBASSADOR MCDONALD TO DISCUSS
SUBSIDY/COUNTERVAIL, SAFEGUARDS, AND OTHER MATTERS. LARGE
PORTION OF MEETING FOCUSED ON BRAZILIAN NEGOTIATING IN-
TENTIONS AT THIS LATE STAGE OF MTN, WITH SPECIAL ATTENTION
TO LACK OF CONTRIBUTIONS EVIDENCED IN REQUEST/OFFER
BILATERAL AND ARTICLE XXVIII NEGOTIATIONS DAY BEFORE (SEE
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 GENEVA 05805 01 OF 02 181031Z

GENEVA 5634).

2. IN RESPONSE TO DIRECT QUESTION FROM MCDONALD REGARDING
ROLE BRAZIL INTENDED TO PLAY IN MTN AS IT ENTERED CRUCIAL
FINAL STAGE, MACIEL NOTED DEFENSIVELY THAT WHILE IT MAY
LOOK AS THOUGH BRAZIL IS DELAYING, MANY ASPECTS OF MTN
WERE BEHIND SCHEDULE (E.G., SUBSIDY COUNTERVAIL AND

SAFEGUARDS) THROUGH NO FAULT OF BRAZIL. LDCS HAD EXPECTED MORE DEFINITION OF STRUCTURE AND PROCEDURE BEFOREHAND, AND HAD BEEN TAKEN BY SURPRISE WITH SUDDEN ACCELERATION OF SCHEDULE. MCDONALD RESPONDED THAT WE HAD TRIED IN PAST TO PROVIDE STRUCTURE, SUCH AS LAST FALL'S EFFORT TO PIN DOWN S&D IN TARIFFS--BUT LDCS THEMSELVES COULD NOT AGREE ON COMMON GROUND RULES. U.S. WAS DISAPPOINTED IN LDC CONTRIBUTIONS AND PARTICIPATION IN MTN UP TO THIS POINT; THIS WOULD SERIOUSLY IMPAIR U.S. ABILITY TO DO VERY MUCH IN AREAS OF S&D.

3. MACIEL AGAIN LAMENTED THAT LDCS DID NOT KNOW WHAT TO EXPECT IN KEY NTM AREAS AND SAFEGUARDS. HE ALSO, HOWEVER, FREELY ADMITTED DIFFICULT SITUATION ON BRAZILIAN HOME FRONT, WHERE SHORT-TERM ECONOMIC PROBLEMS WERE COMPELLING AND DOMINATED POLICY PERSPECTIVE OF BRAZILIAN OFFICIALS. MCDONALD DREW ATTENTION TO LONGER TIME HORIZON, SINCE MTN OUTCOME WOULD CONDITION BOTH SHAPE OF TRADING SYSTEM FOR NEXT DECADES AND U.S. DOMESTIC ATTITUDES ON KEY TRADE ISSUES SUCH AS SPECIAL MEASURES FOR LDCS--OF WHICH GSP WAS MOST PROMINENT EXAMPLE. MACIEL COMPLAINED THAT U.S. WAS IN GOOD POSITION TO TAKE SUCH VIEW BUT SMALLER COUNTRIES AND LDCS DID NOT HAVE LUXURY OF DISCOUNTING CURRENT ECONOMIC/POLITICAL DIFFICULTIES.

4. AT BRAZILIAN REQUEST, U.S. SIDE GAVE BRIEF DESCRIPTION LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 GENEVA 05805 01 OF 02 181031Z

OF OUR CURRENT THINKING ON SUBSIDY/COUNTERVAIL AND SAFEGUARDS, WITH GENERALIZED REPORT OF RECENT PROGRESS. BRAZILIANS APPEALED TO BE CUT INTO DISCUSSIONS AT EARLIEST POSSIBLE STAGE SO AS NOT TO BE PRESENTED WITH FAIT ACCOMPLI TO BE REVIEWED AND ACCEPTED "BETWEEN JULY 15 AND JULY 30". U.S. INDICATED ITS WILLINGNESS TO CONSULT AT ANY TIME, SUBJECT TO STATE OF PLAY IN OUR ATTEMPTS TO DEVELOP WORKING BASIS WITH EC AND OTHERS.

5. TOWARD END OF MEETING, CONVERSATION RETURNED TO QUESTION OF BRAZIL'S READINESS TO PARTICIPATE IN FULL NEGOTIATIONS. U.S. NOTED THAT IN MOST MTN AREAS THE PROBABLE OUTLINES OF RESULTS WERE CLEAR ENOUGH FOR LDCS TO ASSESS APPROPRIATE CONTRIBUTIONS; REAL INDICATIONS WERE NEEDED NOW. BRAZILIANS RAISED QUESTION WHETHER PLANNED TECHNICAL-LEVEL MEETING OF BILATERAL TRADE SUBGROUP FIRST WEEK IN MAY (REF A) SHOULD BE POSTPONED TO PERMIT ADDITIONAL TIME FOR BRAZILIAN SIDE TO PREPARE FOLLOWING ITS IN-HOUSE REVIEW WEEK OF APRIL 24--BRAZILIANS DOUBTED THEY COULD MAKE HEADWAY ON PRODUCT SPECIFIC RESPONSES WITHIN NEXT 3 WEEKS. BOTH SIDES INDICATED THEY WOULD REFLECT FURTHER ON THIS BEFORE RECOMMENDING ANY

CHANGE TO THEIR AUTHORITIES, RECOGNIZING THAT RESULTS AT AN EARLY SESSION MIGHT BE LESS BUT THAT POSTPONING SESSION WAS NO GUARANTEE THAT MORE PROGRESS WOULD BE ACHIEVED.

6. COMMENT/RECOMMENDATION: MTN DEL IS CONVINCED THAT BRAZILIANS WILL NOT BE PREPARED TO GIVE ANY PRODUCT SPECIFIC RESPONSES TO U.S. REQUESTS DURING FIRST WEEK OF MAY, WHETHER BECAUSE OF CONSCIOUS POLICY DECISION OR SHEER BUREAUCRATIC INERTIA. ON OTHER HAND, WE DO HAVE THE IMPRESSION BRAZILIANS, IF PRESSURED, MIGHT SERIOUSLY CONSIDER SOME INTERIM STEP ON CONTRIBUTIONS AT THAT TIME, EVEN WITHOUT IDENTIFYING SPECIFIC PRODUCTS AS YET. IF SO, IT COULD BE A USEFUL STEP IN MOVING BRAZILIANS TOWARD EVENTUAL SPECIFIC CONTRIBUTIONS AND MIGHT DENT

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 GENEVA 05805 02 OF 02 181031Z
ACTION STR-07

INFO OCT-01 ARA-10 IO-13 ISO-00 STRE-00 AGR-01 CEA-01
CIAE-00 COME-00 DODE-00 EB-08 FRB-03 H-01 INR-10
INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00
AID-05 SS-15 ITC-01 TRSE-00 ICA-11 SP-02 SOE-02
OMB-01 DOE-15 AF-10 EA-10 EUR-12 NEA-10 /167 W
-----055539 181036Z /11

P 181015Z APR 78
FM USMISSION GENEVA
TO SECSTATE WASHDC PRIORITY 8511
INFO AMEMBASSY BRASILIA

LIMITED OFFICIAL USE SECTION 02 OF 02 GENEVA 05805

MASSIVE BRAZILIAN BUREAUCRATIC RESISTENCE TO ANY CONCESSIONS AT ALL. WE ALSO NEED FOLLOW UP TIMETABLE COMMITMENTS, HOWEVER, IN ORDER TO MAINTAIN MOMENTUM TOWARD A SPECIFIC RESULT. THEREFORE, WE BELIEVE CONSULTATIONS SHOULD PROCEED AS SCHEDULED, WITH POINTED REMINDERS TO BRAZILIANS THAT WE EXPECT TO HEAR SOMETHING ON SUBJECT OF CONTRIBUTIONS AND TO ESTABLISH FOLLOW UP SCHEDULE FOR GETTING SPECIFIC DETAILS. IN THIS CONNECTION WE AGREE WITH REF B THAT THE FIRST AGENDA ITEM PROPOSED IN REF A SHOULD BE AMENDED TO READ "REQUESTS/OFFERS".

7. DRAFTED BY HARTZELL CULBERT

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LESS DEVELOPED COUNTRIES, TRADE, NEGOTIATIONS, SUBSIDIES, COUNTERVAILING DUTIES
Control Number: n/a
Copy: SINGLE
Draft Date: 18 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978GENEVA05805
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780165-0701
Format: TEL
From: GENEVA MTN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780446/aaaabmwi.tel
Line Count: 168
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: c29b07ac-c288-dd11-92da-001cc4696bcc
Office: ACTION STR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 BRASILIA 2961, 78 STATE 96974
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2936851
Secure: OPEN
Status: NATIVE
Subject: BRAZILIAN POSTURE IN MTN
TAGS: ETRD, BR, US, MTN
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/c29b07ac-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014